The opinion in support of the decision being entered today was **not** written for publication and is **not** binding precedent of the Board.

Paper No. 28

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte HENRY C. YUEN

Appeal No. 2004-2212
Application No. 09/607,606

ON BRIEF

Before RUGGIERO, DIXON, and MACDONALD, **Administrative Patent Judges**.

DIXON, **Administrative Patent Judge**.

DECISION ON APPEAL

This is a decision on appeal from the examiner's final rejection of claims 2, 3, 6, 8, and 9, which are all of the claims pending in this application.

We REVERSE.

BACKGROUND

Appellant's invention relates to an internet-based auction method. An understanding of the invention can be derived from a reading of exemplary claim 8, which is reproduced below.

> 8. A method of purchasing goods and services over a computer network, comprising the steps of:
>
> conducting a search over the network to determine the most favorable advertised price for the goods or services;
>
> obtaining said most favorable advertised price for goods and services from a first set of multiple vendors; and
>
> using the most favorable advertised price for goods and services to solicit bids over the network from a second set of multiple vendors to obtain a price for the goods and services which is lower than the most favorable advertised price.

The prior art references of record relied upon by the examiner in rejecting the appealed claims are:

Herz et al. (Herz)	5,754,938	May 19, 1998
Godin et al. (Godin)	5,890,138	Mar. 30, 1999

Claims 2, 3, 6, 8, and 9 stand rejected under 35 U.S.C. § 103 as being unpatentable over Godin in view of Herz.

Rather than reiterate the conflicting viewpoints advanced by the examiner and appellant regarding the above-noted rejections, we make reference to the examiner's answer (Paper No. 22, mailed Nov. 4, 2003) for the examiner's reasoning in support of

the rejections, and to appellant's brief (Paper No. 21, filed Aug. 7, 2003) for appellant's arguments thereagainst.

OPINION

In reaching our decision in this appeal, we have given careful consideration to appellant's specification and claims, to the applied prior art references, and to the respective positions articulated by appellant and the examiner. As a consequence of our review, we make the determinations which follow.

35 U.S.C. § 103

In rejecting claims under 35 U.S.C. § 103, the examiner bears the initial burden of presenting a ***prima facie*** case of obviousness. **See In re Rijckaert**, 9 F.3d 1531, 1532, 28 USPQ2d 1955, 1956 (Fed. Cir. 1993). A ***prima facie*** case of obviousness is established by presenting evidence that the reference teachings would appear to be sufficient for one of ordinary skill in the relevant art having the references before him to make the proposed combination or other modification. **See In re Lintner**, 458 F.2d 1013, 1016, 173 USPQ 560, 562 (CCPA 1972). Furthermore, the conclusion that the claimed subject matter is ***prima facie*** obvious must be supported by evidence, as shown by some objective teaching in the prior art or by knowledge generally available to one of ordinary skill in the art that would have led that individual to combine the relevant teachings of the references to arrive at the claimed invention. **See In re Fine**, 837 F.2d 1071, 1074, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). Rejections based on § 103 must

rest on a factual basis with these facts being interpreted without hindsight reconstruction of the invention from the prior art. The examiner may not, because of doubt that the invention is patentable, resort to speculation, unfounded assumption or hindsight reconstruction to supply deficiencies in the factual basis for the rejection. **See In re Warner**, 379 F.2d 1011, 1017, 154 USPQ 173, 177 (CCPA 1967), **cert. denied**, 389 U.S. 1057 (1968). Our reviewing court has repeatedly cautioned against employing hindsight by using the appellant's disclosure as a blueprint to reconstruct the claimed invention from the isolated teachings of the prior art. **See, e.g., Grain Processing Corp. v. American Maize-Prods. Co.**, 840 F.2d 902, 907, 5 USPQ2d 1788, 1792 (Fed. Cir. 1988).

When determining obviousness, "the [E]xaminer can satisfy the burden of showing obviousness of the combination `only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references.'" **In re Lee**, 277 F.3d 1338, 1343, 61 USPQ2d 1430, 1434 (Fed. Cir. 2002), citing **In re Fritch**, 972 F.2d 1260, 1265, 23 USPQ2d 1780, 1783 (Fed. Cir. 1992). "Broad conclusory statements regarding the teaching of multiple references, standing alone, are not 'evidence.'" **In re Dembiczak**, 175 F.3d 994, 999, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999). "Mere denials and conclusory statements, however, are not sufficient to establish a genuine issue of material fact." **Dembiczak**, 175 F.3d at 999-1000,

50 USPQ2d at 1617, citing **McElmurry v. Arkansas Power & Light Co.**, 995 F.2d 1576, 1578, 27 USPQ2d 1129, 1131 (Fed. Cir. 1993).

Further, as pointed out by our reviewing court, we must first determine the scope of the claim. "[T]he name of the game is the claim." **In re Hiniker Co.**, 150 F.3d 1362,1369, 47 USPQ2d 1523, 1529 (Fed. Cir. 1998). Therefore, we look to the limitations of independent claim 8.

Independent claim 8 recites "using the most favorable advertised price for goods and services [which was found by conducting a search over the network to determine the most favorable advertised price for the goods or services] to solicit bids over the network from a second set of multiple vendors to obtain a price for the goods and services which is lower than the most favorable advertised price." Appellant argues that the combination of teachings is impermissible, and even if permissible would not teach or fairly suggest the steps of the method as recited in independent claim 8. (See brief at page 4.) Appellant argues that it would not have been obvious to one of ordinary skill in the art at the time of the invention to negotiate a final price lower than the lowest price obtained in pricing information. (See brief at page 4.) The examiner maintains that the reverse auction of Godin in combination with the data searching and sorting of Herz would have fairly suggested the process recited in independent claim 8. (See answer at pages 3-6.) We disagree with the examiner and find no teaching or suggestion to perform an initial search of advertised prices to establish a most favorable advertised

price to obtain a price lower than the most favorable advertised price. While Godin teaches a starting bid, the examiner has not identified a teaching or suggestion as to what determines this value. The examiner maintains that each of the reverse bids represents a price lower than the starting price. (See answer at page 6.) While we agree with the examiner, we do not find that this starting bid value is based upon an advertised price which was determined previously. Therefore, we do not find that the examiner has established a ***prima facie*** case of obviousness of the invention as recited in independent claim 8 and its dependent claims 2 and 3.

With respect to independent claim 9, we similarly find that the examiner has not established a ***prima facie*** case of obviousness of the invention recited therein with respect to the use of a prior determination of a lowest posted price as a starting bid in a reverse bidding process. Therefore, we do not find that the examiner has established a ***prima facie*** case of obviousness of the invention as recited in independent claim 9 and its dependent claim 6.

CONCLUSION

To summarize, the decision of the examiner to reject claims 2, 3, 6, 8, and 9 under 35 U.S.C. § 103 is reversed.

REVERSED

JOSEPH F. RUGGIERO)
Administrative Patent Judge)
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JOSEPH L. DIXON) BOARD OF PATENT
Administrative Patent Judge) APPEALS
) AND
) INTERFERENCES
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ALLEN R. MACDONALD)
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JD/RWK

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